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BUDGETARY AND FINANCE COMMITTEE
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Item 4 of the agenda of the Budgetary
and Finance Committee

ADOPTION OF THE REPORT OF THE BUDGETARY AND FINANCE COMMITTEE TO THE GOVERNING COUNCIL

Draft report of the Budgetary and Finance Committee

Rapporteur: Ms. Heather DOWSETT (New Zealand)

CHAPTER II. United Nations Population Fund

ANNEX

United Nations Population Fund: financial, budgetary and administrative matters

The Governing Council,

Having considered the annual financial review, 1991 (DP/1992/32) and the audit reports (DP/1992/33),

Having taken into account the views and comments of members of the Governing Council on the documentation before it,

1. Takes note of the annual financial review (DP/1992/32), the audit reports (DP/1992/33) and the interim report of the Board of Auditors on the United Nations Population Fund for the first year of the biennium 1990-1991 (A/46/5/Add.7);

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2. Notes with concern that UNFPA's expenditure in 1991 exceeded its income and that UNFPA's actual income in 1991 and currently projected income for 1992 fall considerably short of UNFPA's original estimates; and urges UNFPA to ensure that future estimates of its income are soundly based and reflect actual trends and that future expenditure plans accord with these estimates;

3. Requests the Executive Director to strengthen further the internal financial management and control of the United Nations Population Fund, bearing in mind the need for enhanced cost-effectiveness;

4. Further requests the UNFPA to keep Council members informed of income and expenditure projections;

5. Further takes note with concern the continued increase in the proportion of United Nations Population Fund's administrative expenditures in relation to the total programme expenditures and requests the Executive Director, when formulating the 1994/1995 APSS biennial budget, to reflect the need to contain administrative expenditures;

6. Confirms decision 91/36, paragraph 19, on the level of the operational reserve;

7. Approves the following new regulation of UNFPA's Financial Regulations and Rules:

"Regulation 8.9: Agreements shall be entered into between UNFPA and Executing Agencies which are organizations of the United Nations system, specifying the general terms and conditions which are to govern UNFPA's assistance to projects for which those organizations have been designated as executing agencies";

8. Requests the Executive Director, to submit to the Governing Council at its fortieth session proposed amendments to the financial regulations of UNFPA which upon consideration by the Governing Council at that session would permit the Executive Director to enter into cost-sharing arrangements with recipient governments and/or with external donors.

9. Notes the steps already taken by the Executive Director, within her competence, to implement previous recommendations of the Board of External Auditors in response to paragraphs 14 and 17 of General Assembly Resolution 46/183 of 20 December 1991;

10. Requests the Executive Director to take the additional steps required to implement the remaining recommendations of the Board of Auditors;

11. Urges the Executive Director to implement Council decision 91/36 paragraph 13 on internal audit without delay.